



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 8, 2010

Shelly Harris
Village Bank
294 East Tabernacle
St. George, Utah 84770

Subject: Authorization for Full Release of Reclamation Surety, Letter of Credit, Coughlin Company, Inc., Rhyolite #1 Mine, S/021/0032, Iron County, Utah

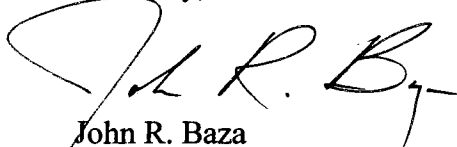
Dear Ms. Harris:

Village Bank is presently holding a Letter of Credit # _____ for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Coughlin Company, Inc., Rhyolite #1 Quarry. This permit has recently been transferred to another operator who has provided a replacement surety for this project. Therefore the Division is fully releasing Coughlin Company, Inc. from any further reclamation responsibility. Therefore, this letter authorizes the full release of this letter of credit.

Attached to this letter is the original letter of credit provided to the Division your disposal.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,


John R. Baza
Director

JRB:lk:pb

Enclosure: Original LOC# 15029036

cc: Coughlin Company, Inc.

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THE VILLAGE BANK

March 15, 2010

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Ut 84114-5801

Re: Letter of Credit #15029036
Coughlin Company, Inc.

Dear Sir/Madam:

We have recently been in contact with Darren Coughlin of Coughlin Company, Inc, whom we have an Irrevocable Letter of Credit # _____ issued to The Utah Division of Oil, Gas and Mining dated June 17, 2009, in the amount of \$15,000.00. Mr. Coughlin has requested that the existing letter of credit not be extended beyond the current maturity.

Let this letter serve as official notification that the above referenced Letter of Credit will expire on June 17, 2010 and will not be extended.

Please call to confirm this matter or if you have any further questions, 435-634-5187.

Sincerely,

Shelly Harris
Lending Officer

RECEIVED
MAR 18 2010
DIV. OF OIL, GAS & MINING



THE VILLAGE BANK

COPY

IRREVOCABLE LETTER OF CREDIT

June 17, 2008

Irrevocable Letter of Credit Number:

Account Party's Name: Coughlin Company, Inc.

Account Party's Address: 809 East Commerce Drive
St. George, UT 84790

To: Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

United States Department of Interior
Bureau of Land Management
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

1. We hereby establish this irrevocable and transferable Letter of Credit in your favor for one or more drawings to the United States Department of Interior BLM and Utah Division of Oil, Gas, and Mining in the amount of (\$15,000.00) Fifteen Thousand Dollars. This Letter of Credit is payable at The Village Bank's office at 294 East Tabernacle, St. George, UT 84770, and expires with our close of business on June 17, 2009, or any automatically extended expiration period.
2. We hereby undertake to honor your or the transferee's sight draft(s) drawn on the issuing or, if any, the confirming financial institution, for all or any part of this credit if presented with this Letter of Credit and confirmation, in any, at the office specified in paragraph 1 of this Letter of Credit on or before the expiration date or any automatically extended expiration date.
3. The Village Bank will notify the BLM Office at P.O. Box 45155, Salt Lake City, Utah 84145-0155 and Utah Division of Oil, Gas, and Mining Office at 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801 if it does not plan to renew this Letter of Credit at least 90 days prior to the expiration date of this letter.
4. This Letter of Credit will automatically renew each year unless The Village Bank notifies the BLM and Utah Division of Oil, Gas, and Mining in writing as outlined in paragraph 3 above. The Bureau of Land Management and Utah Division of Oil, Gas, and Mining may collect under the terms of this letter if obligor defaults on any provision it has with BLM and if obligor fails to replace the Letter of Credit within 30 days of the expiration date.
5. This Letter of Credit is subject to the Uniform Customs and Practice (UCP) for Documentary Credits, 1993 Revision, International Chamber of Commerce Publication No. 500, and to the extent not inconsistent therewith, of the laws of the State of Utah.
6. If this credit expires during an interruption of business of this financial institution as described in Article 17 of the UCP, the financial institution specifically agrees to effect payment if this credit is drawn against within 30 days after the resumption of our business.

Sincerely,

Adam K. Rich
Loan Officer
The Village Bank



THE VILLAGE BANK

IRREVOCABLE LETTER OF CREDIT

June 17, 2008

Irrevocable Letter of Credit Number: _____

Account Party's Name: Coughlin Company, Inc.

Account Party's Address: 809 East Commerce Drive
St. George, UT 84790

To: Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

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2. We hereby undertake to honor your or the transferee's sight draft(s) drawn on the issuing or, if any, the confirming financial institution, for all or any part of this credit if presented with this Letter of Credit and confirmation, in any, at the office specified in paragraph 1 of this Letter of Credit on or before the expiration date or any automatically extended expiration date.
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Sincerely,

Adam K. Rich
Loan Officer
The Village Bank

BLM - UT - 950
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